



5/3/05

## FINAL PASSAGE

### **SB 195 (Garcia)**

SB 195 would establish an administrative fine of up to \$1,000 for operating an agricultural labor camp without a license. Each day a person operated without a license would be a separate violation, but the total fine for continued noncompliance could not exceed \$10,000. All fines would have to be credited to the Migratory Labor Housing Fund.

Support: Agriculture Department, Michigan Farm Bureau.

- *Committee 1 (S-1) was adopted.*
- *SB 195 was moved to 3<sup>rd</sup> Reading. (4/28)*
- **SB 195 passed [RC 94: 37 yes, 0 no]. (5/3)**

### **SB 341 (Gilbert)**

SB 341 would allow a city, village, or township to designate a downtown development authority located within its borders to operate a parking violations bureau. The city, village, or township would have to determine the bureau's expenses of operating and personnel. By allowing a city, village, or township to delegate the operation of a parking violations bureau to a DDA within the city, village, or township, the bill would provide a degree of administrative flexibility to municipalities. Also, allowing a city, village, or township to have its DDA operate a parking violations bureau could save the municipality the cost of operating a bureau and employing its staff.

Support: MEDC, Michigan Municipal League.

- *SB 341 was moved to 3<sup>rd</sup> Reading. No amendments. (4/28)*
- **SB 341 passed [RC 95: 37 yes, 0 no]. (5/3)**

### **SB 342 (OLSHOVE)**

SB 342 would further the goals of the Michigan Land Use Leadership Council by requiring the DMB to issue directives regarding State agencies' development and use of new facilities, the effect of new facilities on urban sprawl, and the use of existing infrastructure. By adopting policies consistent with the Council's recommendations, the State could optimize its use of existing infrastructure, help to reduce urban sprawl and preserve green space, and encourage private-sector redevelopment of urbanized areas. Indeed, the State already has pursued this approach to locating its facilities, as a Department of Environmental Quality facility recently was opened in a building that formerly served as a military tank production plant.

Support: MEDC, Michigan Municipal League.

- *OLSHOVE 1 (1 amend) was adopted.*
- *SB 342 was moved to 3<sup>rd</sup> Reading. (4/28)*
- *SB 342 passed [RC 96: 37 yes, 0 no]. (5/3)*

### **SB 343 (BARCIA)**

SB 343 would allow a city to establish multiple neighborhood improvement authorities for the purpose of halting property value deterioration and increasing property tax valuation where possible in a residential district. The bill would provide cities with a much-needed economic development tool to improve neighborhoods, increase property value and property tax revenue, and attract new residents and businesses.

Tax increment financing (TIF) is a proven method for a community to create a revenue stream to invest in its own development, and has long been used for economic development in commercial and industrial areas. While the development of new and expanded business and industrial activity is highly beneficial to a community, thriving residential areas also are an essential component of economic vitality in cities. Making a city a more attractive place to live can influence the decision of a business to remain, locate, or expand in a particular area. Attractive neighborhoods also can draw residents who will shop, dine, and otherwise conduct business in the city. Enhancing residential areas, then, also encourages economic growth. By authorizing cities to create neighborhood improvement authorities and use TIF programs, the bill would provide a mechanism for a city to reverse problems with property deterioration in its neighborhoods and promote residential growth and economic development in the community.

- *Committee 1 (S-1) was adopted.*
- *SB 343 was moved to 3<sup>rd</sup> Reading. (4/28)*
- *SB 343 passed [RC 97: 37 yes, 0 no]. (5/3)*

## **THIRD READING**

### **SB 73 (Birkholz)**

Senate Bill 73 would amend the Natural Resources and Environmental Protection Act to clarify the Department of Environmental Quality's rules for emissions offsets. Under federal air quality rules, when an area is designated as "out of attainment", the Department must produce a plan that shows what actions will be taken to return to "attainment" status. "Offsets" allow regulated industries some flexibility in this process, balancing economic growth while reducing emissions.

Support: MMA, DEQ.

- *Committee 1 (S-2) was adopted.*
- *SB 73 was moved to 3<sup>rd</sup> Reading.*

### **SB 348 (Cassis)**

### **HB 4188 (Rocca)**

SB 348 would increase from \$25,000 to \$45,000 the maximum household income of a taxpayer who is eligible to defer the collection of the summer property taxes. It is estimated that the bill would reduce State education tax revenue to the School Aid Fund by approximately \$5.4 million to \$7.3 million in 2005-06. Under these

assumptions, the bill would defer approximately \$37.4 million to \$50.1 million in local unit revenue. For local units on a July-to-June fiscal year, this deferral would only affect cash flow, by delaying the receipt of payments from earlier in the fiscal year until later. However, local units on an October-to-September fiscal year, or a fiscal year that matches the calendar year, likely would experience a one-time revenue loss in fiscal year 2005-06.

Support: Michigan Association of Realtors.

- Committee 1 (S-1) was adopted.
- SB 348 was moved to 3<sup>rd</sup> Reading.

HB 4188 would increase from \$25,000 to \$35,000 the maximum household income of a taxpayer who is eligible to defer the collection of the summer property taxes. The bill would reduce State education tax revenue to the School Aid Fund by approximately \$3 million to \$4 million in 2004-05, and \$3.1 million to \$4.1 million in 2005-06. Under these assumptions, the bill would defer approximately \$20.5 million to \$27.5 million in local unit revenue. For local units on a July-to-June fiscal year, this deferral would only affect cash flow, by delaying the receipt of payments from earlier in the fiscal year until later. However, local units on an October-to-September fiscal year, or a fiscal year that matches the calendar year, likely would experience a one-time revenue loss in fiscal year 2004-05.

- Committee 1 (S-1) was adopted.
- HB 4188 was moved to 3<sup>rd</sup> Reading.

#### **HB 4065 (Caswell)**

HB 4065 would permit a property tax bill to be corrected at the July or December board of review following an incorrect uncapping of a property tax assessment. The current property tax law provides taxpayers with little recourse if their property assessment is mistakenly uncapped by the local assessor. If the mistake is not appealed to the March board of the review, the taxpayer can only have the matter corrected by the July or December board of review if the assessment was due to a "clerical error" or a "mutual mistake of fact."

Support: Department of Treasury, Michigan Assessors Association, Michigan Association of Realtors, Michigan Farm Bureau.

- HB 4065 was moved to 3<sup>rd</sup> Reading. No amendments.

#### **HB 4482 (Nofs)**

HB 4482 would designate the amounts of school taxes that a local tax increment financing authority (in Battle Creek) can continue to capture and retain through June 30, 2015.

According to testimony before the House Committee on Commerce, school taxes that were being captured by a Battle Creek-area TIFA for economic development projects at the former Camp Custer were assumed to have been grandfathered when Proposal A was enacted. Questions were later raised by the Department of Treasury about the TIFAs continued ability to collect school taxes, however, because the agreement between the City of Battle Creek and Battle Creek Unlimited, the economic development entity, involved a series of renewable one-year contracts rather than a single long-term agreement.

Support: Michigan Treasury Department, Battle Creek Unlimited.

- Committee 1 (S-2) was adopted.
- HB 4482 was moved to 3<sup>rd</sup> Reading.

## RESOLUTIONS

### **SR 25 (BRATER)**

### **SCR 17 (BASHAM)**

SR 25 and SCR 17 urge the United States Coast Guard to immediately eliminate the "No Ballast on Board" (NOBOB) exemption from regulations on ballast water management and require all ships with ballast tanks that enter the Great Lakes to conform to all regulations for ballast water management in federal law.

- SR 25 was adopted [no RC]. No amendments.
- SCR 17 was adopted [no RC]. No amendments.